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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Central Emergency Response Fund

Report of the Secretary-General

Summary

The present report describes the activities of the Central Emergency Response Fund from 1 January to 31 December 2017, pursuant to General Assembly resolution 72/133. The Fund continued to take its place at the forefront of humanitarian response in 2017. During the reporting period, the Emergency Relief Coordinator approved $418.2 million for 397 projects in 36 countries. In addition, two loans from the Fund's loan facility were approved for a total value of $42 million. As at 31 December 2017, the Fund had received $481.3 million for 2017, which puts it on a positive trajectory towards its expanded annual funding target of $1 billion, endorsed by the General Assembly in its resolution 71/127

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 72/133, on strengthening the coordination of emergency humanitarian assistance of the United Nations, in which the General Assembly requested the Secretary-General to submit a detailed report on the use of the Central Emergency Response Fund. The report covers the Fund's activities from 1 January to 31 December 2017.

II. Overview of the funding commitments of the Central Emergency Response Fund

2. During 2017, the Emergency Relief Coordinator approved Fund grants totalling $418.2 million for humanitarian assistance in 36 countries. Allocations included $273.2 million under the rapid response window and $145 million for underfunded crises through the underfunded emergencies window. The Emergency Relief Coordinator also approved two loans: $22 million to the Food and Agriculture Organization of the United Nations (FAO) in March to respond to drought-affected regions of Somalia, and $20 million to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to address health and food needs in the Occupied Palestinian Territory, Jordan, Lebanon and the Syrian Arab Republic. Between the Fund's inception in 2005 and the end of 2017, the Fund provided $5 billion for humanitarian assistance in 100 countries. Grants are allocated to United Nations funds and programmes and the specialized agencies. These are referred to collectively as "agencies" in this report.

Table 1
Central Emergency Response Fund allocations, 1 January to 31 December 2017
(United States dollars)

	Rapid response window	*Underfunded emergencies window*	*Total*
Amount approved	273 182 581	145 026 099	418 208 680
Number of recipient countries or territories	31	13	36[a]
Number of projects funded	263	134	397

[a] Certain countries or territories received allocations from both funding windows.

3. In accordance with the Secretary-General's bulletin ST/SGB/2010/5, at least two thirds of the Fund's grant allocations are intended for disbursement through its rapid response window. Allocations from this window promote early response to humanitarian needs by funding critical, life-saving humanitarian activities in the initial stages of a sudden-onset crisis or in the case of a significant deterioration of an existing emergency. From 1 January to 31 December 2017, the Fund provided $273.2 million to 31 countries through the rapid response window. The countries that received the largest levels of funding through that window were Ethiopia ($28.5 million in response to drought), the Democratic Republic of the Congo ($26.6 million in response to conflict), Yemen ($25.6 million in response to conflict and disease outbreak), Bangladesh ($24.2 million in response to natural disasters and conflict in Rakhine State, Myanmar) and South Sudan ($15.5 million in response to conflict). Fifty-seven per cent of rapid response funding in 2017 went to address critical needs due to conflict. Response to natural disasters represented 42 per cent of funding, with 25 per cent for drought-affected regions and 10 per cent for hurricanes and cyclones.

Table 2
Rapid response window allocations by country
(United States dollars)

Country or territory	*Total allocations*
Angola	10 545 508
Antigua and Barbuda	2 154 461
Bangladesh	24 164 854
Burundi	3 500 011
Central African Republic	6 000 028
Chad	3 561 841
Congo	4 371 548
Cuba	7 999 469
Democratic People's Republic of Korea	6 351 013
Democratic Republic of the Congo	26 564 545
Dominica	3 011 838
Ethiopia	28 512 690
Iraq	10 000 001
Kenya	10 329 268
Libya	357 812
Madagascar	4 999 601
Mongolia	1 107 613
Mozambique	2 000 095
Myanmar	6 526 848
Nepal	4 787 881
Nigeria	9 889 471
Peru	5 167 962
Philippines	2 477 274
Somalia	15 033 541
South Sudan	15 524 589
Sri Lanka	7 196 273
Sudan	15 456 560
Viet Nam	4 213 259
Yemen	25 553 107
Zimbabwe	1 585 201
Occupied Palestinian Territory	4 238 419
Total	**273 182 581**

4. Up to one third of the Fund's allocations is intended for underfunded emergencies. Those allocations are made in two rounds during the year, and they allow partners to carry out life-saving activities in places where humanitarian responses are severely underfunded. Such an approach addresses critical humanitarian needs and helps to draw attention to funding gaps and to places where donor interest may have waned. In 2017, the Emergency Relief Coordinator approved $145 million through the underfunded emergencies window for humanitarian efforts in 13 countries. Nearly 80 per cent of the funds provided through that window went to assist people affected by conflict and displacement. The highest amounts were for

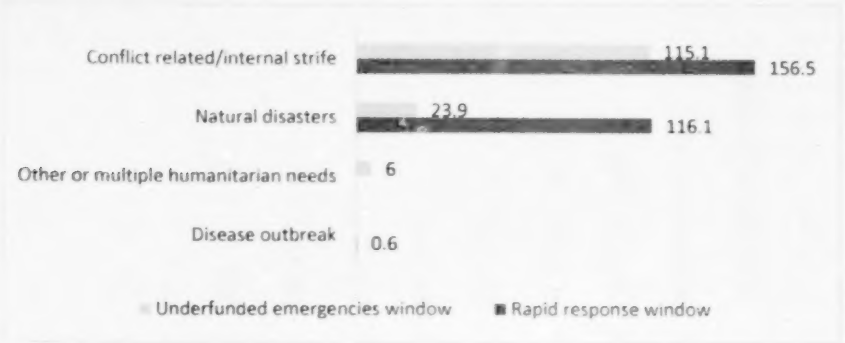
responses to crises in Nigeria ($22 million for internally displaced persons, returnees and host communities), Somalia ($18 million for severe drought conditions), Uganda ($15 million for South Sudanese refugees), and the Sudan ($14.2 million for internally displaced persons, refugees and host communities).

5. A total of $100 million was allocated in the first round in January and $45 million in the second round in August (see table 3). The Fund's first underfunded emergencies allocation round provided life-saving assistance to people in nine countries. To address needs stemming from conflict displacement and severe drought, the Fund allocated $70 million to address displacement-related relief efforts for 2.2 million people in Cameroon, Libya, Mali, the Niger, Nigeria and Uganda. In addition to this, $24 million went to address the humanitarian needs of 2.2 million people affected by severe drought and food insecurity in Madagascar and Somalia. To respond to the needs of nearly 825,000 people in the Democratic People's Republic of Korea, $6 million went to reduce maternal and under age 5 child mortality and morbidity. The second round of allocations of $45 million funded four countries (Afghanistan, Central African Republic, Chad, Sudan) with the intention of reaching nearly 1 million people affected by internal conflict and insecurity in neighbouring countries, as well as countries facing recurrent natural disasters. United Nations agencies and their local implementing partners provided critical health care, food assistance and access to clean water and sanitation, among other services and support.

Table 3
Underfunded emergencies window allocations by country
(United States dollars)

Country	*Round I*	*Round II*	*Total*
Afghanistan		9 996 905	9 996 905
Cameroon	10 005 413		10 005 413
Central African Republic		9 995 626	9 995 626
Chad		10 994 963	10 994 963
Democratic People's Republic of Korea	5 996 745		5 996 745
Libya	5 997 815		5 997 815
Madagascar	5 960 822		5 960 822
Mali	6 905 824		6 905 824
Niger	10 058 848		10 058 848
Nigeria	21 997 157		21 997 157
Somalia	17 959 294		17 959 294
Sudan		14 169 983	14 169 983
Uganda	14 986 704		14 986 704
Total	**99 868 622**	**45 157 477**	**145 026 099**

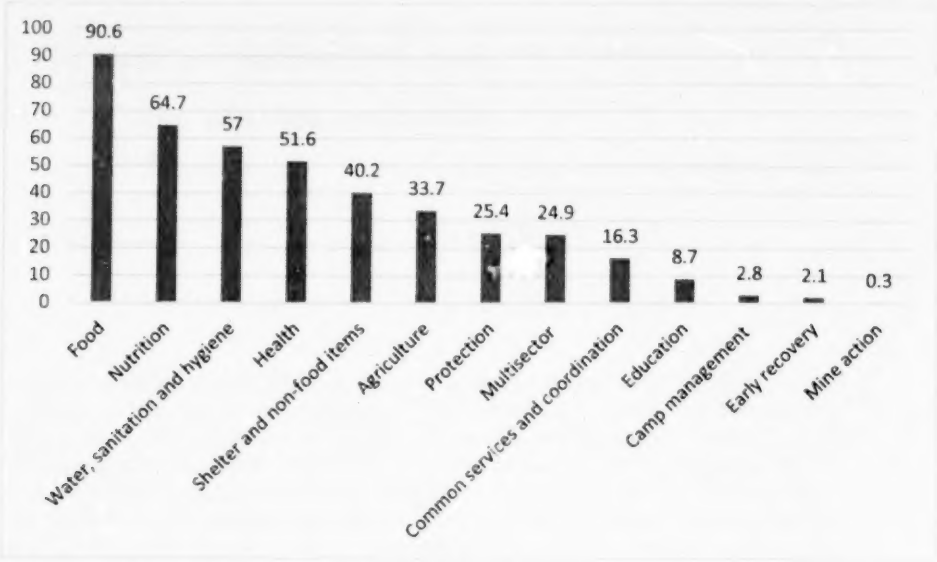
Figure I
Central Emergency Response Fund, 2017 allocations by emergency type
(Millions of United States dollars)



6. In 2017, partners used the Fund allocations to assist people facing a range of humanitarian emergencies. A total of $271.6 million — or 65 per cent of funds — went to projects aiding people affected by conflict or internal strife. This amount includes rapid response allocations ($115.1 million) and underfunded emergencies allocations ($156.5 million). The countries that received the highest levels of funding for assistance linked to conflict or internal strife were Nigeria ($31.9 million), the Sudan ($29.6 million), the Democratic Republic of the Congo ($26.6 million) and Yemen ($25 million).

7. Crises related to conflict and internal strife received the largest assistance from the Fund in 2017. Climate-related natural disasters were the second major focus in 2017, as was the case in 2016. A total of $140 million was allocated for operations targeting the effects of meteorological, hydrological and climatological events. Fund responses to climate-related natural disasters included $91.7 million to address needs in drought-ravaged countries, $19 million to address needs arising from floods, and $28.3 million in response to cyclones, typhoons and hurricanes. In Mongolia, the Fund allocated $1.1 million to address needs related to extreme temperatures.

Figure II
Central Emergency Response Fund, 2017 grant allocations by sector
(Millions of United States dollars)



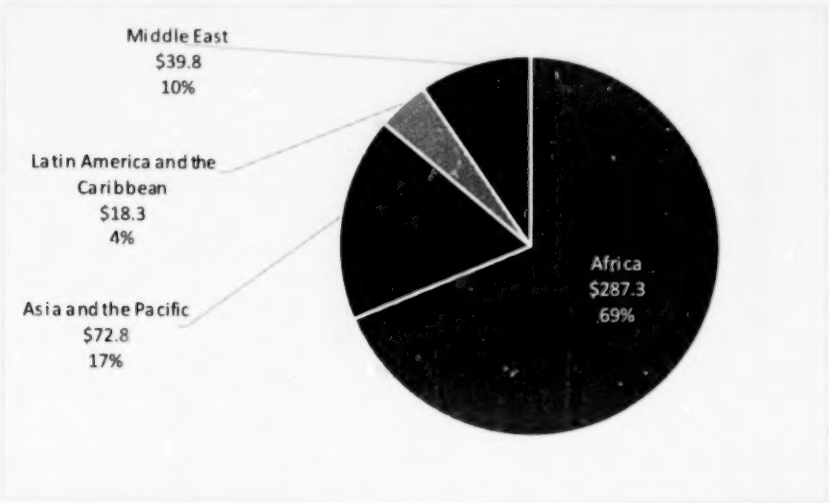
Note: Common services and coordination includes common humanitarian air service, common logistics, common telecommunications, and safety and security of staff and operations.

8. Food security, which comprises food assistance ($90.6 million) and agriculture including livestock ($33.7 million), received just over one quarter of all allocated funds ($124.3 million) and was the highest funded sector of the year. In addition, $64.7 million was allocated for nutrition assistance, bringing the total for food security and nutrition to $188.9 million, or 45 per cent of allocated funds, which was 7 per cent higher than in 2016.

9. A total of $57 million was allocated for water and sanitation-related humanitarian response in 2017. About $28.1 million of that amount was allocated for conflict-related crises and $28.9 million for climate-related interventions.

10. In 2017, $51.6 million was allocated to health-related interventions, of which $34.2 million was allocated for conflict-related crises and $15.2 million for climate-related crises.

Figure III
Central Emergency Response Fund, 2017 grant allocations by region
(Millions of United States dollars and percentage)



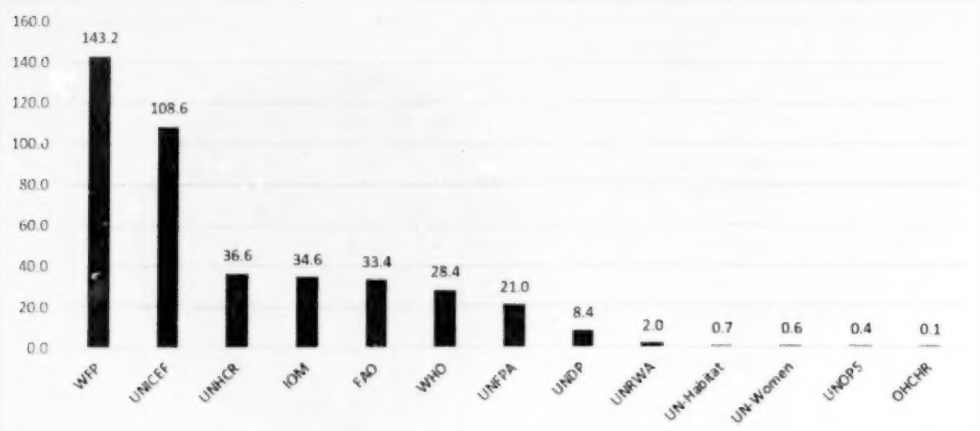
11. Humanitarian response in Africa to meet the extensive needs arising primarily from conflict and the impact of climate change received the highest share of funding again in 2017. A total of $287.3 million was allocated for addressing humanitarian needs in Africa, representing 68.7 per cent of all allocations in 2017, up slightly from 67.3 per cent in 2016. Allocations to Africa in 2017 were primarily in response to needs stemming from conflict or internal strife ($196.5 million). Climate-related emergencies, particularly in response to drought, accounted for $90.7 million. Of the total allocations for response in Africa, $124.3 million was for food security and nutrition interventions, equivalent to 43 per cent of funds allocated in the region. A total of $36.2 million, or 13 per cent of funds, was allocated for health interventions in Africa and allocations for shelter totalled $23 million.

12. A total of $72.8 million was allocated to address humanitarian needs in Asia and the Pacific in 2017, compared with $57.8 million in 2016. Nearly 43 per cent ($31 million) of 2017 allocations in Asia and the Pacific were for climate-related needs and 49 per cent ($35.8 million) went to address needs caused by conflict and internal strife in Afghanistan, Bangladesh, Myanmar and the Philippines.

13. United Nations organizations in Antigua, Barbuda and Dominica received funds for the first time in 2017 in response to multiple hurricanes. Projects in Latin America and the Caribbean received $18.3 million from the Fund, all of which targeted responses to natural disasters, respectively Hurricane Irma in Cuba, Antigua and Barbuda (August/September) and Hurricane Maria in Dominica (September/October). Humanitarian operations in Peru received funds in response to flooding and landslides caused by heavy rains.

14. Humanitarian action in the Middle East (Iraq, Yemen and the Occupied Palestinian Territory) received nearly $40 million from the Fund in 2017, compared with $58 million in 2016. Funding to these areas mainly helped to deliver essentials for displaced people as well as people affected by cholera in Yemen.

Figure IV
Central Emergency Response Fund, 2017 grant allocations by agency
(Millions of United States dollars)



Abbreviations: FAO, Food and Agriculture Organization of the United Nations; IOM, International Organization for Migration; OHCHR, Office of the United Nations High Commissioner for Human Rights; UNDP, United Nations Development Programme; UNFPA, United Nations Population Fund; UN-Habitat, United Nations Human Settlements Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNOPS, United Nations Office for Project Services; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; WFP, World Food Programme; and WHO, World Health Organization.

15. Agencies receiving the highest amounts of funds in 2017 were the World Food Programme (WFP) ($143.2 million for 63 projects in 30 countries), the United Nations Children's Fund (UNICEF) ($108.6 million for 111 projects in 33 countries) and the Office of the United Nations High Commissioner for Refugees (UNHCR) ($36.6 million for 32 projects in 16 countries).

16. Pursuant to General Assembly resolution 66/119, the Fund maintains a $30 million loan facility to provide loans to eligible organizations while they are mobilizing resources. In March 2017, the Fund provided a loan of $22 million to FAO to enable a response to the drought-affected regions of Somalia. It filled a crucial gap and allowed FAO to immediately save the lives and livelihoods of farmers and herders until additional funds from donors were received. The Fund also provided a $20 million loan to UNRWA to address health and food needs in Jordan, Lebanon, the Syrian Arab Republic and the Occupied Palestinian Territory. In addition to the two loans made in 2017, there was an existing 2016 loan to UNICEF of $4 million.[1]

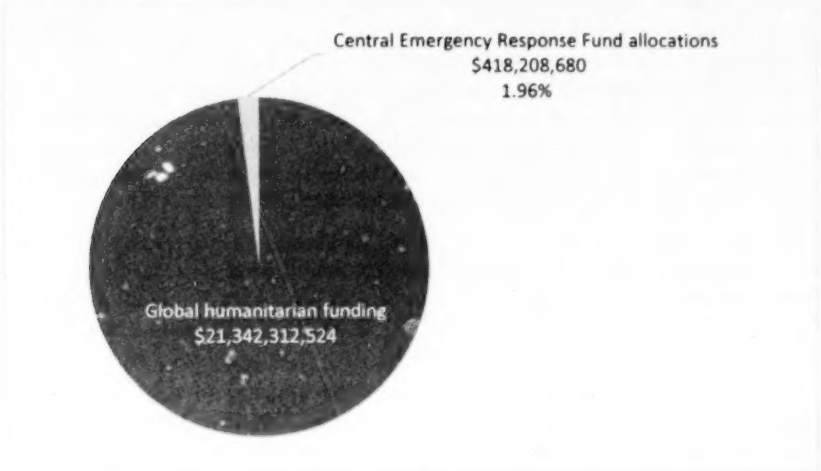
III. Use of the Fund

17. Humanitarian crises affected more than 130 million people around the world in 2017, and most of those people were experiencing needs caused by conflict and natural hazards. Global humanitarian funding for 2017 reached $21.3 billion, and the Fund's disbursements represented 1.96 per cent of that funding (see figure V).

[1] That $4 million loan was paid early in 2018.

Figure V
Central Emergency Response Fund, 2017 allocations as a percentage of global funding

(United States dollars and percentage)



Source: Financial Tracking Service of the Office for the Coordination of Humanitarian Affairs.

18. The Fund continued to respond to the most critical needs of crisis-affected people in 2017. The Fund's unique added value is demonstrated by the ability of the Emergency Relief Coordinator to prioritize on the basis of the greatest needs of the moment. This focus on people most in need requires joint planning and prioritization led by United Nations resident coordinators/humanitarian coordinators in concert with humanitarian country teams and other partners. This approach reinforces the collective needs assessment and planning processes to ensure a more strategic use of funds in each emergency that is based on humanitarian principles.

19. In addition to directly meeting urgent humanitarian needs, the Fund allocations help to highlight new and emerging crises and draw attention to situations where there is a dire need for funding for humanitarian action.

A. The Fund and conflict-related/protracted crises

20. Conflict is a primary cause of humanitarian needs, and 65 per cent ($271.6 million) of Fund allocations in 2017 were in response to conflict and internal strife. The Fund continued responding to humanitarian needs in the Democratic Republic of the Congo, one of the world's most complex and long-standing humanitarian crises. Early in 2017, intercommunal violence in Tanganyika and Kasai Provinces escalated dramatically, resulting in the displacement of hundreds of thousands of people within the Democratic Republic of the Congo and into neighbouring countries. The situation deteriorated throughout the year and was compounded by rising food insecurity and a spreading cholera outbreak. In addition, worsening conflict in the Central African Republic forced thousands of people to flee violence and seek refuge in the Democratic Republic of the Congo.

21. In February, the Fund allocated $9.6 million to humanitarian actors in the Democratic Republic of the Congo to scale up response in Tanganyika and Kasai Provinces, targeting 213,055 people. An additional $14 million was allocated in September to address the urgent humanitarian needs of nearly 810,000 people arising

from the sharp deterioration of the situation in areas affected by violence in Kasai Province. The Fund also allocated $3 million to address the needs of nearly 100,000 of the most vulnerable refugees from the Central African Republic. Overall, the Fund allocated $26.6 million to assist 1.1 million people affected by conflict and displacement in the Democratic Republic of the Congo.

22. Since the conflict in Yemen escalated in March 2015, Yemeni people continue to face ongoing hostilities and severe economic decline. In 2017, 45 per cent of the country's health facilities were not functioning, and 10.4 million people lacked access to health services, clean water and sanitation and were at risk of contagious diseases, such as cholera. Food security and nutrition rapidly deteriorated in Yemen as the conflict destroyed people's livelihoods and ability to purchase food, making it difficult for many to meet minimal food and nutrition needs.

23. In May, to mitigate the early effects of a famine-like situation in Yemen, the Fund allocated $25 million. The allocation covered nutrition, food security, logistics, coordination and support services and benefited an estimated 2 million people. In addition, in July, the Fund allocated $600,000 to increase the capacity to transport relief items to respond to the cholera outbreak.

24. The humanitarian crisis caused by escalating violence in Rakhine State of Myanmar triggered the world's fastest growing refugee crisis in 2017. It has led to suffering on a catastrophic scale, with hundreds of thousands of people fleeing into neighbouring Bangladesh. Most refugees arrived at makeshift settlements and registered camps that were overcrowded, under-resourced and stretched to capacity.

25. In September, the Fund allocated $7 million to support time-critical interventions in Bangladesh for 72,110 of the most vulnerable new arrivals. Funding went to priority sectors, namely protection, food security and nutrition, water, sanitation and hygiene, health and shelter. As the crisis worsened, the Fund released an additional $12 million in October to scale up life-saving response efforts for 196,000 refugees. Overall, the Fund supported the humanitarian response to the Rohingya refugee crisis with $19 million in 2017.

B. The Fund and natural disasters

26. The Fund responded to several extreme weather events in 2017, with climate-related crises representing 33 per cent ($140 million) of its funding during that year. On 6 September, Hurricane Irma, the most powerful hurricane ever recorded over the Atlantic, bore down on Antigua and Barbuda with category 5 strength, destroying over 90 per cent of the housing in Barbuda, rendering the island uninhabitable. On 8 September, Irma hovered over Cuba, resulting in the evacuation of 2 million people. An estimated 200,000 houses were severely damaged, as were health and educational institutions.

27. In the aftermath of Hurricane Irma, the Fund allocated $10.2 million for humanitarian assistance to address urgent needs in Cuba, Antigua, Barbuda and other eastern Caribbean islands to jump-start relief efforts and support the regional response. An allocation of $8 million to Cuba helped to provide emergency shelter materials, food assistance, agriculture and livelihood support, safe water and sanitation services, health care and education to an estimated 558,801 people. With an allocation of $2.2 million to support the regional response in Antigua, Barbuda and other eastern Caribbean islands, the Fund supported United Nations agencies to provide shelter and protection to the displaced, ensure that basic education could restart, and restore livelihoods through cash for work. This allocation targeted 42,229 people. The Fund also provided funding to WFP for logistical support for the humanitarian operation that spanned multiple islands in the Caribbean.

28. On 18 September, another category 5 storm, Hurricane Maria, caused widespread damage and destruction in Dominica, one of the poorest countries in the Caribbean. The entire island of 71,293 people was affected, with 65,000 people suffering direct damage to housing and livelihoods. Funding of $3 million, disbursed in October, was critical in re-establishing health and education services, ensuring access to safe water and sanitation, bolstering disease outbreak prevention and control, and providing food, cash transfers, shelter materials, livelihood support and protection services. Overall, the Fund allocated $13.2 million to respond to the needs caused by Hurricanes Irma and Maria, targeting more than 670,000 people in need.

29. The Horn of Africa faced one of the worst droughts in decades, leaving more than 14 million people in Ethiopia, Kenya and Somalia in urgent need of food assistance. Extensive crop failures and record-low vegetation coupled with livestock death and limited water resources affected the region. In Ethiopia, consecutive poor rainy seasons, water scarcity and disease left millions of people in need of food.

30. In February, the Fund disbursed $18.5 million to jump-start time-critical humanitarian assistance in Ethiopia. The allocation targeted 785,000 drought-affected people through activities in the food security, health, nutrition and water, sanitation and hygiene sectors. In August, an additional $10 million was allocated to stabilize the nutrition situation and reduce malnutrition levels, targeting 376,055 people in need.

31. In Somalia, joint efforts were required to sustain ongoing but underfunded programmes to avert famine in the worst drought-affected areas. Funding was necessary to provide life-saving interventions at the early stage of the crisis. In February, the Fund allocated $18 million in Somalia to help to cover the needs of 1.3 million drought-affected people through the underfunded emergencies window. The Fund supported the water, sanitation and hygiene, shelter and non-food items, logistics, food security, health, nutrition, protection and education sectors. In April, the Fund allocated an additional $15 million in a rapid response allocation to drought-related displacement, which nearly doubled in Somalia between January and February. The allocation targeted 352,592 people in need of health, nutrition and water, sanitation and hygiene services. Overall, the Fund allocated $33 million in 2017 in response to the ongoing humanitarian crisis in Somalia. As mentioned above, the Fund also provided a $22 million loan to FAO to respond to drought-affected regions in Somalia.

32. The Fund was one of the first responders to the warning signs of famine in north-eastern Nigeria, Somalia, South Sudan and Yemen. The Fund released $128 million to support the most critical early action and famine-prevention activities, making it one of the largest funding sources for the four affected countries in the early stages of the response. Together, the Fund and the country-based pooled funds released $379 million in coordinated allocations that were critical to the scaling-up of time-critical humanitarian action in those countries in the first half of 2017.

C. Response of the Fund to the ongoing global displacement crisis

33. The global displacement crisis continued in 2017, as more and more people were forced from their homes. In South Sudan, approximately 4 million people had fled their homes since 2013. New clashes in 2017 caused further displacement, and food insecurity and malnutrition reached unprecedented levels. Livelihoods have been decimated, livestock looted or killed, and crops destroyed or delayed because of violence, displacement and unfavourable weather. Communicable diseases spread, and access to safe hygiene and clean water was compromised owing to repeated displacement and damage to key infrastructure. In May, the Fund disbursed

$15.5 million to South Sudan to address the needs of 368,958 crisis-affected people including 221,375 internally displaced persons. The allocation helped to address camp coordination and camp management, health, nutrition, protection, education, food security, shelter, water, sanitation and hygiene and logistics.

34. In the Sudan, the Fund allocated $10 million to help the humanitarian country team to address the needs of 60,000 newly arrived South Sudanese refugees. It funded the establishment of a reception centre and expanded life-saving service provision through the expansion of two existing refugee-hosting sites.

35. The Fund allocated $15 million in April to sustain and improve life-saving services for South Sudanese refugees in Uganda, and to establish services in settlements for new arrivals. The response targeted 881,555 people, including 203,436 Ugandan host-community members. It covered the sectors of protection, sexual and/or gender-based violence, health, food security, early recovery, water, sanitation and hygiene and multisector refugee assistance.

36. Lake Chad Basin countries continued to face complex and protracted humanitarian displacement emergencies in 2017. About 17 million people across the far north of Cameroon, western Chad, south-eastern Niger and north-eastern Nigeria were living in areas affected by the crisis. By February, 10.7 million people needed assistance, more than 2.3 million people were displaced, 7.1 million people were food insecure and 515,000 children suffered from severe acute malnutrition.

37. The Fund provided $22 million to Nigeria in support of life-saving interventions, enabling education, food security, health, nutrition, protection, shelter and water, sanitation and hygiene activities targeting 2.6 million internally displaced persons and host communities. In addition, the Fund allocated $10 million to Nigeria in July to support humanitarian hubs where front-line responders could establish a permanent and secure humanitarian presence. In Cameroon, the Fund allocated $10 million, targeting 270,000 new internally displaced persons affected by the Boko Haram attacks. In the Niger, the Fund allocated $10 million to respond to the disruption of basic services caused by conflicts, targeting 250,000 refugees, returnees, internally displaced persons and the host population. In Chad, the Fund allocated $4 million to provide food, health and protection to 40,000 vulnerable returnees, and an additional $11 million was allocated to support 72,559 Chadian returnees, 16,937 refugees from the Central African Republic and 56,060 members of the host community.

IV. Management and administration of the Fund

Central Emergency Response Fund Advisory Group

38. The Central Emergency Response Fund Advisory Group was established following the adoption of General Assembly resolution 60/124 to advise the Secretary-General, through the Emergency Relief Coordinator, on the use and impact of the Fund. To strengthen the Advisory Group and ensure a broader member diversity, the Secretary-General expanded the Group in 2017 from 18 to 21 members. During the year, the Group met in May and October. At the May meeting, the Group discussed initiatives to ensure increased contributions to the Fund (innovative finance solutions, private sector funding), the opportunity of increased allocations from the Fund in support of early action, as well as the launch of the Fund's first annual results report displaying the results achieved with Fund resources during a full year. At the October meeting, the Group discussed efforts to further strengthen the Fund, increase early action and ways to ensure a broadening of the Fund's donor base.

Global reach of Fund partnerships

39. While the Fund is mandated to provide grants solely to United Nations agencies, many of its grants are implemented by United Nations agencies in partnership with non-governmental organizations, host Governments and Red Cross/Red Crescent societies.

40. Of the Fund's total $438.9 million in allocations in 2016 (the latest year for which partnership data are available),[2] $115 million was reported as subgranted by recipient United Nations agencies to 589 implementing partners across 45 countries. This vast network of partnerships under Fund grants represents an unparalleled global reach that would be difficult to achieve through direct donor-funding agreements.

41. Subgranted funds represent 26 per cent of overall funding allocated by the Fund in 2016. This figure does not include the value of in-kind partnership arrangements.

42. Most of the organizations that implemented funding through subgrants in 2016 were national and local partners. They included 229 national or local non-governmental organizations, 216 Government partners and 19 Red Cross/Red Crescent societies. The remaining 125 partners were international non-governmental organizations. The agencies that subgranted the most funding were UNICEF ($44 million), UNHCR ($33 million) and WFP ($9.7 million).

Monitoring

43. In 2016, the Fund developed a guidance note on country-level monitoring of the implementation of Fund allocations. The note clarifies roles and responsibilities in tracking the implementation of Fund grants and in ensuring that relevant and timely information is available to resident coordinators/humanitarian coordinators. It was developed in response to requests from field-level partners involved in Fund processes, and it followed the recommendations of several audits and evaluations relating to the Fund, including audits by the Office of Internal Oversight Services.

44. The Fund also created an interim project status update template to facilitate easy information-sharing at the country level. It will help to ensure that resident and humanitarian coordinators and other humanitarian actors in each country are kept informed about the implementation of funded projects.

45. The guidance note and the interim project status update template are provided to all resident and humanitarian coordinators upon approval of every Fund allocation and disbursement of funds. On the basis of positive feedback on the usefulness of the interim project status update template and observations from field-level audits, the use of the template became mandatory at the end of 2017.

Transparency

46. Transparency is the cornerstone of accountability, which makes it one of the key priorities for the Fund secretariat. The Fund publishes all grant decisions in real time on its website and on the Financial Tracking Service, in the International Aid Transparency Initiative standard and through the Humanitarian Data Exchange. In addition, the Fund tracks and publishes information on the "second layer" of grant implementation, which reflects funding from recipient United Nations agencies to

[2] Fund grants are implemented within a time frame of six to nine months, and narrative reports on grant implementation are required three months after. Thus, the funding allocated towards the end of 2016 was implemented by the fourth quarter of 2017 and reported on by the end of 2017. The information on partnerships in the implementation of 2016 funding was then consolidated in the first quarter of 2018.

their implementing partners, thereby providing full transparency of funding from allocation decisions to front-line delivery.

47. The Fund also publishes the methodologies used for allocation decisions, summaries of the country-selection processes for underfunded emergencies allocations, narrative reports on the use of funds and a global report on results achieved. Those documents, in combination with real-time allocation data, provide full transparency on the Fund's operations.

48. As mentioned in paragraph 38 above, in 2017 the Fund published its global results report for the first time. The report included key information on people reached, analysis of the Fund's strategic value added, information on partnerships in the implementation of funding, and summaries of reported achievements of all Fund allocations made in 2016. The global consolidation of the complex performance information included in the report was possible because of the major progress in developing the Fund's grants management system and the underlying data management framework.

Risk management

49. In 2017, the Fund continued to track and communicate information relating to cases of possible fraud involving its funds. In keeping with its communication guidelines and standard operating procedures, the Fund secretariat continued to liaise with agencies and donors regarding potential fraud cases in 2017.

50. In 2017, three cases of possible fraudulent use of funds by partners under projects using a Fund grant were reported to the secretariat. Communication and follow-up were conducted in accordance with the guidance and the standard operating procedures. Based on evidence gathered during an investigation, the allegations were substantiated in one case, with the Fund's exposure in the case estimated at $2,647. The other two cases are still under investigation.

Reporting by resident coordinators/humanitarian coordinators

51. In 2016, the latest full year for which data are available, the Fund reached millions of people with life-saving assistance. Approximately 54 per cent of those people were women and girls. The share of women and girls receiving funded support was even higher in some sectors, such as nutrition at 68 per cent. Of the people reached with funded nutrition assistance, 57 per cent were children.

52. Approximately half of the people reached with funding allocated in 2016 were refugees, internally displaced persons or members of host communities in 32 countries.

53. With 2016 funding:

- 15.8 million people received access to health care
- 4.2 million people received food
- 3.9 million people benefited from water and sanitation assistance
- 3 million people benefited from protection interventions
- 2.7 million people improved their food security through agriculture assistance
- 2.1 million people received shelter assistance or basic relief items
- 1.8 million people received nutritional support
- Many more people benefited from camp management interventions, education assistance, mine action and multisectoral support

54. The Fund provides significant strategic value beyond its being a source of humanitarian funding. When asked to assess the strategic value added of 2016 funding, 84 per cent of resident and humanitarian coordinators stated in their reports that funding led to the fast implementation of humanitarian response (the other 16 per cent reported that it led in part to the fast implementation of humanitarian response). Ninety-three per cent said that the funding helped to respond to time-critical humanitarian needs, 97 per cent stated that funds helped to improve the coordination of humanitarian action, and 74 per cent reported that the Fund improved resource mobilization from other sources.

Learning engagement

55. In 2017, the Fund secretariat continued to deliver its training programme on how to use the Fund more strategically. The programme's interactive in-person workshops and webinars targeted key participants in the Fund process, including field staff of United Nations agencies and the Office for the Coordination of Humanitarian Affairs and relevant Headquarters staff. The workshops and webinars provided tools for training participants to use in navigating the challenges of using funds strategically and prioritizing the most urgent life-saving needs. The Fund delivered seven webinars to field staff and two Headquarters sessions to stakeholders who facilitate the Fund process in the field. This engagement led to more focused, better-prioritized Fund submissions from humanitarian country teams. In 2018, the Fund will refocus on field workshops while continuing to deliver Headquarters training and webinars.

Fund country reviews

56. To provide the Emergency Relief Coordinator and the Fund stakeholders with assurance of the Fund's achievements, the Fund secretariat commissions independent reviews each year of the Fund's contribution to the humanitarian response in selected countries or regions.

57. In 2017, the Fund secretariat engaged independent consultants to assess the value added by the Fund in the response to the humanitarian consequences of El Niño. The Fund provided approximately $119 million to El Niño-related activities in 19 countries during the 2015/16 El Niño.

58. The review included field visits to review Fund allocations in seven countries and three regional hubs. The review report was published in March 2018. Apart from focusing on the appropriateness, effectiveness and added value of the Fund for the El Niño response, the review also identified lessons for the Fund's potential role in supporting early action, particularly in slow-onset emergencies. The main recommendation from the review is that the Fund should fund early action systematically when the early warning certainty level is relatively high. The review also concluded that investing in the Fund's capabilities to fund early action is consistent with its founding life-saving objective of supporting "time critical interventions". These findings will help to inform partner consultations and ongoing work to identify possible future operational and strategic changes for the Fund in the context of the new $1 billion funding target.

V. Funding levels

59. The Fund reached a record-high income for 2017. A total of $512.1 million was pledged in 2017, of which $481.3 million was received by 31 December 2017 (including $14.3 million received in 2016), and $33.3 million was received in 2018. The total contributions received for 2017 reached $514.6 million, higher than the pledged amount owing to exchange rate gain. Fifty-six Member States and observers,

a regional authority and private sector donors, including two foundations, contributed to the Fund in 2017. To help the Fund to respond to humanitarian needs, the following donors contributed an additional total of nearly $100 million on top of their initial 2017 pledges: Andorra, Chile, Germany, Iceland, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland. In addition, between 1 January and 31 December 2017, $0.6 million was received against previous pledges, and nine donors advanced a total of $6.8 million for 2018.

60. Approximately 98 per cent of contributions to the Fund for 2017 were from the top 20 donors (see annex II). The largest contribution was received from the United Kingdom, followed by Germany, Sweden, the Netherlands and Norway. The number of Member States and observers that gave to the Fund increased from 50 in 2016 to 56 in 2017.

61. Four countries (Myanmar, Peru, Sri Lanka, Viet Nam) received allocations from and contributed to the Fund in 2017, a testament to their solidarity with the Fund.

62. From its inception in 2005 until 2017, the Fund received cumulative contributions of more than $5 billion from 126 Member States and observers and three regional authorities, and from foundations, corporate donors and individuals. Their generous contributions enabled the Fund to respond effectively and in a timely way to diverse humanitarian emergencies in 100 countries.

VI. The Fund for the future

The Fund's humanitarian impact in 2017 and beyond

63. The impact of funding in 2017 helped to avert famine, jump-start hurricane response and bring attention and aid to forgotten crises. The Fund reached record-level funding in 2017, which is an indicator of the trust placed in its value and impact and an encouraging step in the pursuit of a $1 billion Fund.

64. The fundraising target that the General Assembly defined for the Fund in 2006 is no longer aligned with the scale of the world's crises. Global humanitarian funding requirements have soared from $5 billion in 2006 to $24 billion in 2017. The Secretary-General called for the Fund to be expanded to a $1 billion annual funding level by 2018, and the General Assembly supported this goal in its resolution 71/127.

65. A $1 billion Fund would enhance the Fund's impact while maintaining its focus, scope and speed. It would ensure that the Fund can continue to carry out the life-saving mission assigned to it by the General Assembly. The Fund's funding has been spread thinner each year. In 2017, the Fund's support was stretched to a critical point, with early and catalytic funding disbursed to address early action and life-saving operations in countries facing famine or near famine. Owing to the overwhelming number of requests and the limited amount of funding available, reducing amounts allocated to individual crises has become a necessity for the Fund. A larger Fund is required to keep pace with the growing needs.

The Fund and the Grand Bargain

66. The Fund is uniquely placed to serve as a catalyst for improvements in the humanitarian system, and it embodies many aspirations of the Grand Bargain. The Fund is also actively engaged in Grand Bargain processes and continues to explore measures to leverage the delivery of its commitments. The following are the Fund's key contributions towards Grand Bargain workstreams.

67. **Increase the use and coordination of cash-based programming**. The Fund has a long history of funding cash-based interventions when they are prioritized by country-level partners. The Fund ensures that it remains "cash ready" and has recently revised its application and reporting templates to enable better tracking and analysis of cash-transfer programming in projects it funds. The Fund also developed additional guidance aimed to support the inclusion of cash-based interventions in Fund applications.

68. **Reduce duplication and management costs**. Under the leadership of resident and humanitarian coordinators, funding is jointly prioritized, planned and implemented by country-level partners against a common intersectoral strategy. This improves the coherence of humanitarian response and reduces the risk of duplication. The Fund also reduced its management costs by one third (from 3 to 2 per cent) in June 2016. In 2017 alone, this reduction freed up $4.2 million of funding for additional programming.

69. **Improve joint and impartial needs assessments**. The Fund requires that funding proposals are prioritized against a common response strategy and informed by joint needs assessments. The Fund promotes joint needs assessments by humanitarian partners, ensuring that funding is targeted to the most urgent humanitarian needs.

70. **Participation revolution**. The Fund promotes the enhanced engagement of affected people in the design and delivery of humanitarian assistance. Information on different aspects of accountability to affected people is systematically requested throughout the Fund's programme cycle. This provides the Fund secretariat with feedback on how commitments under accountability to affected people have been considered in funded projects and allows for periodic analysis in this regard.

71. **Reduce the earmarking of donor contributions**. Since its inception, the Fund has provided $5 billion to humanitarian action in 100 countries using fully flexible unearmarked contributions. Recognizing the need for more unearmarked, flexible humanitarian funding, the General Assembly endorsed the increase of the Fund's annual funding target to $1 billion.

Diversifying and deepening the donor base

72. The Fund achieved a historic funding milestone in 2017, surpassing $500 million for the first time. However, this is a considerable gap from the General Assembly-endorsed $1 billion annual funding target, which takes effect in 2018. To date, a large proportion of funding relies on a small group of donors. In 2017, $457 million was provided by the top 10 donors, nearly 90 per cent of the overall contributions received. This reliance on the top 10 donors puts the Fund in a vulnerable position should domestic policies shift or exchange rates fluctuate.

73. The Fund secretariat consistently seeks to broaden the diversity of donors and expand its financial support base while still maintaining and, where possible, increasing funding from its strongest supporters. New and additional support from a diverse range of Member States, observers, and regional and private entities is needed for the Fund to attract the funding necessary to provide urgent assistance to people trapped in crises.

Annex I

A. Central Emergency Response Fund grant element: statement of financial performance, 1 January to 31 December 2017[a]

(United States dollars)

Revenue	
Voluntary contributions[b]	592 376 537
Other transfers and allocations	51 088
Other revenue[c]	13 012 665
Investment revenue[d]	1 757 469
Total revenue	**607 197 759**
Expenses	
Grants and other transfers	409 784 494
Other operating expenses[e]	7 824 267
Total expenses	**417 608 761**
Surplus/(deficit) for the year	**189 588 998**

B. Central Emergency Response Fund grant element: statement of changes in net assets, 1 January to 31 December 2017[a]

(United States dollars)

	Net assets
Net assets as at 31 December 2016	229 386 276
Change in net assets	
Surplus/(deficit) for the year	189 588 998
Total changes in net assets	**189 588 998**
Net assets as at 31 December 2017	**418 975 274**

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

[b] Representing voluntary contributions in accordance with the International Public Sector Accounting Standards. See annex II for contributions pledged.

[c] Representing net exchange gains.

[d] Including net investment revenue of $235,432 earned on the loan component of the Central Emergency Response Fund in accordance with General Assembly resolution 66/119.

[e] Including programme support costs (United Nations) of $8,111,335.

Annex II

Central Emergency Response Fund grant element: contributions pledged, 1 January to 31 December 2017

(United States dollars)

Contributor	*Pledged contributions[a]*
Member States and observers	
Andorra	23 867
Armenia	5 000
Australia	8 184 524
Belgium	13 572 204
Bhutan	1 500
Bulgaria	20 000
Canada	22 528 736
Chile	40 000
China	500 000
Colombia	112 500
Côte d'Ivoire	10 000
Cyprus	11 662
Czechia	39 246
Denmark	14 351 320
Estonia	108 696
Finland	7 423 118
Germany	82 510 869
Iceland	756 125
India	500 000
Indonesia	220 000
Ireland	24 039 332
Italy	2 322 880
Japan	1 402 809
Kazakhstan	50 000
Kuwait	1 000 000
Liechtenstein	197 239
Lithuania	21 482
Luxembourg	4 811 715
Monaco	53 362
Myanmar	10 000
Netherlands	73 410 414
New Zealand	2 136 752
Norway	53 426 148
Pakistan	10 000
Peru	4 006
Philippines	50 000
Portugal	105 380
Qatar	1 000 000

Contributor	*Pledged contributions*[a]
Republic of Korea	4 000 000
Russian Federation	1 500 000
San Marino	2 370
Saudi Arabia	150 000
Singapore	50 000
Slovakia	60 155
South Africa	487 257
Spain	3 424 476
Sri Lanka	5 000
Sweden	74 481 519
Switzerland	5 986 439
Thailand	20 000
Turkey	450 000
United Arab Emirates	1 250 000
United Kingdom of Great Britain and Northern Ireland	99 339 278
United States of America	5 000 000
Viet Nam	10 000
Sovereign Military Order of Malta	1 000
Total, Member States and observers	**511 188 380**
Regional and local authorities	
Belgian Government of Flanders	636 943
Total, regional and local authorities	**636 943**
Others	
Al Jisr Foundation	250 000
Waterloo Foundation	13 193
Private donations through the United Nations Foundation (under $10 000)	51 088
Private donations outside the United Nations Foundation (under $10 000)	6 855
Total, others	**321 135**
Total	**512 146 458**

[a] Contributions are based on the pledged year of the donors and differ from the amount reported as revenue under the International Public Sector Accounting Standards. Actual received contributions may differ from the originally recorded pledges, owing to fluctuations in exchange rates.

Annex III

Total grants allocated from the Central Emergency Response Fund, 1 January to 31 December 2017

(United States dollars)

Country or territory	*Rapid response*	*Underfunded emergency*	*Total*
Somalia	15 033 541	17 959 294	32 992 835
Nigeria	9 889 471	21 997 157	31 886 628
Sudan	15 456 560	14 169 983	29 626 543
Ethiopia	28 512 690		28 512 690
Democratic Republic of the Congo	26 564 545		26 564 545
Yemen	25 553 107		25 553 107
Bangladesh	24 164 854		24 164 854
Central African Republic	6 000 028	9 995 626	15 995 654
South Sudan	15 524 589		15 524 589
Uganda		14 986 704	14 986 704
Chad	3 561 841	10 994 963	14 556 804
Democratic People's Republic of Korea	6 351 013	5 996 745	12 347 758
Madagascar	4 999 601	5 960 822	10 960 423
Angola	10 545 508		10 545 508
Kenya	10 329 268		10 329 268
Niger		10 058 848	10 058 848
Cameroon		10 005 413	10 005 413
Iraq	10 000 001		10 000 001
Afghanistan		9 996 905	9 996 905
Cuba	7 999 469		7 999 469
Sri Lanka	7 196 273		7 196 273
Mali		6 905 824	6 905 824
Myanmar	6 526 848		6 526 848
Libya	357 812	5 997 815	6 355 627
Peru	5 167 962		5 167 962
Nepal	4 787 881		4 787 881
Congo	4 371 548		4 371 548
Occupied Palestinian Territory	4 238 419		4 238 419
Viet Nam	4 213 259		4 213 259
Burundi	3 500 011		3 500 011
Dominica	3 011 838		3 011 838
Philippines	2 477 274		2 477 274
Antigua and Barbuda	2 154 461		2 154 461
Mozambique	2 000 095		2 000 095
Zimbabwe	1 585 201		1 585 201
Mongolia	1 107 613		1 107 613
Total	**273 182 581**	**145 026 099**	**418 208 680**

Note: The amount of total allocated funds in this annex is based on the approval of the Under-Secretary-General and Emergency Relief Coordinator.

Annex IV

A. Central Emergency Response Fund loan element: statement of financial performance, 1 January to 31 December 2017[a]

(United States dollars)

Revenue	
Investment revenue[b]	–
Total	–
Expenses	
Total	–
Surplus for the year	–

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

[b] Net investment revenue of $235,432 was reflected in the grant element of Central Emergency Response Fund in accordance with General Assembly resolution 66/119.

B. Central Emergency Response Fund loan element: statement of changes in net assets, 1 January to 31 December 2017[a]

(United States dollars)

	Net assets
Net assets as at 31 December 2016	30 000 000
Change in net assets	
Surplus for the year	–
Total changes in net assets	–
Net assets as at 31 December 2017	**30 000 000**

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

Annex V

Central Emergency Response Fund loans, 1 January to 31 December 2017

(United States dollars)

Agency	*Country/region*	*Year of disbursement*	*Amount*
Outstanding loans as at 1 January 2017			
UNICEF	Haiti	2016	8 000 000
Total			**8 000 000**
Loans disbursed from 1 January to 31 December 2017			
FAO	Somalia	2017	22 000 000
UNRWA	Occupied Palestinian Territory (West Bank and Gaza, including occupied East Jerusalem), Jordan, Lebanon and Syrian Arab Republic	2017	20 000 000
Total			**42 000 000**
Loans repaid from 1 January to 31 December 2017			
UNICEF	Haiti	2016	4 000 000
FAO	Somalia	2017	22 000 000
Total			**26 000 000**
Outstanding loans as at 31 December 2017			
Total			**24 000 000**

Abbreviations: FAO, Food and Agriculture Organization of the United Nations; UNICEF, United Nations Children's Fund; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East